

Good morning,

I'm writing today to share important information with you regarding our organization design efforts.

As you are aware, St. Luke's Health System has fully committed to our strategy of transforming health care by moving away from fee for service to population health and value-based reimbursement through which we would take accountability for the outcomes of care and the total costs of care. The major vehicle through which we accomplish this is St. Luke's Health Partners.

Our plans for the future and the organization design moving us there have been developed thoughtfully and deliberately. They are the extension of our development as a unified, integrated health system – they are the exciting next chapter in our history.

And this next chapter is vital. Our “why” has everything to do with quality, sustainability and a vibrant future. What we are designing, with input from our operational and clinical leaders, is based in best practice, an organizational structure that we can be confident will deliver exceptional outcomes for our patients, a meaningful work experience for our staff and providers, and an environment that can empower our team and support each member in doing his or her best work.

Moving away from fee for service is a huge transformation for a health system. It means looking at components of the health system as cost centers instead of profit centers as they have existed under fee for service. Additionally, we must move from a hospital-centric model and structure to a population health model that focuses on trying to prevent avoidable hospital admissions and emergency visits and on coordinating their care more efficiently and effectively.

It is through this lens that I let you know of a few important organization design changes happening at our hospital facilities.

At St. Luke's hospital facilities, with the exception of Boise, our chief nursing officers (CNOs) will assume combined chief operating officer/CNO functions and appointees in those positions will be assuming interim responsibility for day-to-day operations, reporting to population health vice presidents Mike Fenello, Dave McFadyen and Dennis Mesaros. The roles will be split at our Boise hospital, given the size and complexity of that facility.

Although the site administrator role as we know it is being eliminated, we will continue to have a single point of accountability at our facilities, one based in the community the hospital serves. The new site leaders will be engaged, visible, and have responsibility to oversee the operations and care we deliver in the community. Through this organization design effort, we will streamline decision-making, clarify role responsibilities and accountabilities, improve patient care and safety, improve patient outcomes and decrease the total cost of care.

The population health vice presidents will work closely with our chief operation officer/CNO appointees to ensure functions and work at all of our facilities is maintained seamlessly and without disruption to our patients and our team. Executive leaders have made good progress in confirming changes they will be making in their areas.

Beginning this month and over the next few weeks, leaders will be meeting with team members to share information regarding the new organization design structure and any related changes for team members. We will be moving quickly to share information, and meetings and conversations will be sequenced and will be happening through the remainder of November and the first week of December. We anticipate the majority of adjustments will be complete by the end of January, and refining and fine-tuning our new structures will continue through the spring.

I recognize there is significant information in this note. We are committed to communicating with you when there is new information to share, as we have been doing throughout and as I am doing now. I know that change can be challenging, and I appreciate your continued engagement and support. Please know that I have great faith in you, your commitment to St. Luke's and your dedication to our patients and their care.

With gratitude,

David C. Pate, M.D., J.D.

President and CEO
St. Luke's Health System